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The President's Daily Brief

April 22, 1974

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~~*Top Secret*~~

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THE PRESIDENT'S DAILY BRIEF

April 22, 1974

PRINCIPAL DEVELOPMENTS

Fighting on the Syrian front continued over the weekend but at a lower level since Friday's intensive battles. *(Page 1)*

Recent reports support earlier indications that Moscow offered President Asad large sums of aid during his recent visit. *(Page 2)*

Israel's Labor Party voted yesterday to try to form a new coalition government rather than face another election. The Central Committee intends to vote today on a successor to Golda Meir as party leader. *(Page 3)*

The civil aviation agreement signed by Japan and China last Saturday looks toward inaugurating regular air service between the two countries on September 29. *(Page 4)*

PLO leader Yasir Arafat is reported to have suspended PLO subsidies to all non-Fatah fedayeen organizations in hope of dissuading them from mounting cross-border attacks into Israel. *(Page 5)*

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SYRIA-ISRAEL

Fighting on the Syrian front generally has continued at a lower level since Friday's intensive battles. Artillery and mortar fire was exchanged over the weekend but no surface-to-air missile launches were noted. [redacted] 25X1 25X1

An Iraqi news source reported Saturday that Syrian authorities had closed two air corridors over Syria to civilian airliners. The action may have been taken as a precaution because of heavy Israeli air activity over portions of Syria on Friday.

[redacted] 25X1 25X1

[redacted] 25X1 25X1

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USSR-SYRIA

Recent reports support earlier indications that Moscow offered President Asad large sums of aid during his recent visit, perhaps in the neighborhood of several hundred million dollars in economic credits. While welcoming such aid, Asad is not likely to get over-involved with the USSR on economic projects. Prior to Asad's Moscow trip, the Syrians had made a strong pitch for EC participation in Syrian industrial development. Moreover, with an influx of Arab aid, Syria is in a better position to choose its suppliers.

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ISRAEL

The Central Committee of Israel's Labor Party voted yesterday to try to form a new coalition government rather than face a new election. The committee members put off until today balloting to name a successor to Golda Meir as party leader. If they fail to agree on a successor, however, they could reverse themselves and seek an election.

Motions calling for a new election were narrowly defeated yesterday, despite a warning by Finance Minister Sapir, who implied that Labor would not be able to form a new government without another election. Sapir, who played a key role in the talks that helped reconstitute Mrs. Meir's governing coalition last month, claimed that both of Labor's coalition partners, the National Religious Party and the Independent Liberal Party, are balking at the prospect of yet another attempt to mold a new government.

The only declared candidates to succeed Mrs. Meir are Labor Minister Yizhak Rabin and Information Minister Shimon Peres. Foreign Minister Eban reportedly will announce his candidacy before the deadline, which is noon today. Thus far Rabin appears to be the favorite, but it is possible that the party may have to dig deep into its ranks for a compromise candidate.

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JAPAN-CHINA-TAIWAN

The civil aviation agreement signed by Japan and China last Saturday looks toward inaugurating regular air service between the two countries on September 29--the second anniversary of their establishment of diplomatic relations. The pact was achieved after more than a year of complex negotiations.

Japanese Foreign Minister Ohira, in a supplementary statement to the agreement, noted that Tokyo now no longer recognizes the Nationalists' airline or its flag insignia as that of a "state." Taipei reacted strongly to the agreement and Ohira's statement by carrying out its earlier threat to terminate operations on the Japan-Taiwan route by China Air Lines and Japan Air Lines. Taipei also closed Taiwan's airspace to all Japanese aircraft.

Although disturbed by the Nationalists' action, the Tanaka government has reacted calmly. It is complying with Taiwan's demands but endeavoring to play down the situation to leave room for future negotiations. Ohira has described Taiwan's move as "regrettable," but he has pledged Tokyo's continued desire to maintain good relations with Taipei through nongovernmental means. He expressed his belief that the air link "could and should be restored" in time, noting that one reason for the long delay in signing the agreement with Peking was Tokyo's desire to find some way to preserve commercial air ties with Taiwan.

Taipei's action has drawn support from pro-Taiwan interests within the ruling Liberal Democratic Party, and Tanaka and Ohira seem certain to be in for further criticism from these elements. Nonetheless, the LDP's top executives intend to submit the air agreement to the Diet--probably this week--where favorable action seems assured.

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FEDAYEEN - ARAB STATES

Yasir Arafat, head of the Palestine Liberation Organization and Fatah, [redacted] suspended PLO subsidies to all non-Fatah fedayeen organizations. The success of the terrorist attack on Qiryat Shemona by a group not affiliated with the PLO has increased pressure on Arafat to allow Fatah to revert to more spectacular forms of terrorism. By cutting off funds, Arafat hopes to dissuade these groups from mounting other cross-border operations and thus decrease pressure on himself to adopt similar tactics. 25X1

Arafat's move, however, will not prevent the small, radical fedayeen groups from continuing their terrorist activities. [redacted] 25X1 25X1

[redacted] 25X1

[redacted] 25X1 25X1

[redacted] 25X1

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Despite the financial difficulties that the fedayeen may be experiencing, certain Arab states seem to be in line for increased assistance. The Kuwaiti Parliament on Saturday approved a grant of more than $500 million to Syria, Egypt, and other "front-line" states. This comes on the heels of Saudi Arabia's cash handout of $100 million to Egypt last Wednesday.

The amounts involved are not large for either Kuwait or Saudi Arabia, considering their substantial oil revenues. Both also regularly make payments to Egypt under agreements reached in Khartoum in 1967. Egypt annually has received $91 million from Kuwait and $100 million from Saudi Arabia.

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